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SENSITIVE  
SIPDIS  
DEPT FOR SCA/CEN, EEB/TPP/IPE  
PASS TO USTR JENNIFER CHOE GROVES AND TIMOTHY R MCGOWAN

E.O. 12958: N/A  
TAGS: [ETRD](#) [ECON](#) [KIPR](#) [UZ](#)  
SUBJECT: UZBEKISTAN: SPECIAL 301 REVIEW RECOMMENDATION (2010)

REF: 09 TASHKENT 235; 09 TASHKENT 1816; 10 TASHKENT 54; STATE 3361  
STATE 10149

¶1. (U) SUMMARY. The GOU's interagency working group charged with drafting new IPR legislation and implementing IPR reform made rapid progress in 2009. A measure to remove Uzbekistan's caveat to Article 18 of the Berne Convention has passed Uzbek interagency review and can be expected to be introduced to the Uzbek Parliament in the near future. The Uzbek Copyright Agency and the Patent Office are being merged and expanded, steps that will make enforcement of IPR laws possible on a uniform basis across the country. For the first time, licensed media disks have gone on sale in Tashkent and are finding a market.

¶2. (SBU) Post recommends that Uzbekistan remain on the Special 301 watch list but that due note be taken of its earnest steps to move forward on IPR. General System of Preferences (GSP) privileges should remain in place. END SUMMARY.

MOVING FORWARD ON IPR

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¶3. (SBU) In 2009 we witnessed surprising progress in improving the Intellectual Property Rights (IPR) protection regime in Uzbekistan. Whereas a year ago (ref A) we reported "little direct evidence" of measures taken to implement the 2006 "Law on Copyright and Related Rights," by October 2009 we were reporting (ref B) that "Uzbekistan is preparing to remove its reservations to Article 18 of the Berne convention and that IPR-related changes to the Criminal and Administrative Codex will be presented to the Uzbek parliament later this year." At that time we provided a full English translation of the codex amendments as well as the steps that the GOU is taking to address the twelve recommendations made by the Intellectual Property Alliance (IIPA).

¶4. (SBU) In January 2010 we received an update (ref C) from Alisher Hafizov, Lead Specialist in the Department of Information Systems and Telecommunications at the Cabinet of Ministers. (Note: Hafizov heads the interagency IPR working group. End note.) On February 17 Hafizov gave us a further update, the key points of which are the following:

-- The process of removing Uzbekistan's caveat to Article 18 of the Berne Convention has begun. The amendment removing this caveat has passed through interagency review and will be sent to the Cabinet of Ministers before the end of February. Following approval by the

Cabinet of Ministers, the amendment will be introduced to the Uzbek Parliament. (Note: Hafizov has offered to provide a copy of the draft law for our review. End Note.)

-- To improve IPR enforcement, the GOU has made the decision to merge the Uzbek Copyright Agency (UCA) and the Patent Office. Currently, responsibility for IPR is spread across multiple offices, but the new, expanded copyright and patent agency will have sole IPR responsibility and will be granted sweeping rights for IPR enforcement. It will have regional offices throughout Uzbekistan and will have sufficient staff to make enforcement a reality.

-- Changes to the Criminal and Administrative Codex have been delayed due to the decision to merge the Patent Office and UCA. Hafizov said the merger will necessitate revisions that are technical in nature. These revisions are not expected to alter the significant aspects of the draft he presented to us last October (ref B). Adoption of these changes to the Criminal and Administrative Codex has been included in the government's work plan for the first half of 2010.

¶5. (SBU) 2009 was also notable for the appearance of licensed DVDs and CDs in Uzbekistan for the first time since independence in 1991. Sony and Warner Brothers disks went on sale in the Nirvana and other store chains in Tashkent last summer, and more recently licensed Walt Disney disks have appeared as well. The licensed disks cost two to three times as much as the omnipresent pirated disks, but sales have been strong. Common Uzbek citizens have been overheard to remark that although the price is high, they had never realized what quality meant until they bought their first legal disk. At present these disks are imported into Uzbekistan from Russia and Kazakhstan. Hafizov and UCA officials continue to urge that U.S. publishers of electronic media enter the Uzbek market directly, leaving out the Russian and Kazakh middlemen and preferably setting up production facilities in Uzbekistan.

#### RECOMMENDATION AND COMMENT

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¶6. (SBU) After years of lackluster progress, IPR clearly has captured the GOU's attention. In his January address to the opening session of the Parliament, President Karimov called upon the senators and deputies to improve Uzbekistan's laws on author's rights and intellectual property. With the spotlight on IPR directed by none other than President Karimov, it is entirely possible that 2010 will be the year when the legal and enforcement changes proposed in 2009 will become reality, the year when Uzbekistan officially drops its caveat to Article 18 of the Berne Convention.

¶7. (SBU) In our 2009 Special 301 recommendation (ref A), we noted "no significant improvement in enforcement efforts since last year," but added that the "formation of a government working group specifically to address IPR issues" showed that IPR protection had gotten the attention of the GOU. Throughout 2009 we have had easy access to Alisher Hafizov, head of this working group, as well as to officials in the UCA, all of whom have been eager to share with us the current state of reforms. On several occasions they have cried out for closer contact with IIPA and other organizations that can help them move forward.

¶8. (SBU) In summary, Uzbekistan has not yet officially taken the measures it must take to address the 1999 IIPA petition that led to it being placed on the Special 301 Watch List. For this reason it

should remain on the Special 301 Watch List, but due note should be taken of its earnest steps to move forward on IPR, steps that could lead to it being removed from this list within the next several years. GSP privileges for Uzbekistan should remain in place.

NORLAND